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PATTERSON & SHERIDAN, LLP/ SEDNA PATENT SERVICES, LLC			LONSBERRY, HUNTER B	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)
	09/966,759	HENDRICKS, JOHN S.
	Examiner Hunter B. Lonsberry	Art Unit 2623

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).

Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(o).

Status

1) Responsive to communication(s) filed on 19 December 2007.

2a) This action is FINAL. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-10 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) _____ is/are allowed.

6) Claim(s) 1-10 is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some * c) None of:

1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) Notice of References Cited (PTO-892)

2) Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) Information Disclosure Statement(s) (PTO/SB/08)
Paper No./Mail Date See Continuation Sheet

4) Interview Summary (PTO-413)
Paper No./Mail Date _____

5) Notice of Informal Patent Application

6) Other: _____

Continuation of Attachment(s) 3). Information Disclosure Statement(s) (PTO/SB/08), Paper No(s)/Mail Date :9/25/07, 10/22/07, 12/03/07, 12/12/07, 1/11/08.

DETAILED ACTION

Response to Arguments

Applicant's arguments filed 12/19/07 have been fully considered but they are not persuasive.

Applicant argues that it does not appear that Wachob '591's headend actually selects the video program, rather the converter determines which channel to tune to and thus the combination of Wachob '494 and Wachob '591 does not teach each and every claim element (page 7).

The Examiner respectfully disagrees. Wachob '591 is relied upon to teach selecting, based off demographic information, which commercials (programs) are inserted into the respective channels at the headend by a device 50 functioning as a network controller. Commercial insertion into a channel is not performed at the user's converter itself, but rather by element 60 within network controller 50. As network controller 50 selects and inserts the program, it meets the limitation of "sending a different program selected at a headend via a network controller."

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent 5,231,494 to Wachob (Wachob '494) in view of U.S. Patent 5,155,591 to Wachob (Wachob '591)

Regarding claim 1, Wachob '494 teaches associating a first video program with a first channel (see figure 2, label 40 - RF Modulator A, col. 5, II. 43-55), and a second program with a second channel (see figure 2, label 42 - RF Modulator B, col. 5, II. 43-55), Wachob '494 teaches receiving from a respective subscriber input device chosen from by each one of the plurality of subscribers (at different locations) (col. 5-6, II. 67-6)(I/R remote control - 74) a channel selection (col. 6, I1.9-18), which in turn sends the channel selection to a television associated with the subscriber (col. 6, II. 18-23) and sending a different video program (e.g. a commercial) associated with a different (virtual/logical) channel not selected by the plurality of subscribers to each television associated with a plurality of subscribers, wherein the different video program for each one of the plurality of subscribers is not the same (col. 5-6, I1.56-6).

Wachob '494 teaches sending different video programs associated with a different channel, but is silent on the sending a different video program selected at a head end via a network controller. Wachob '591 teaches collecting viewing habits, such as channels/programs viewed, pay-per-view purchases (col. 8, II. 17-33) and sending the data to a headend (fig. 5, label. 50, col. 8, I1.46-67, col. 9, II. 4-10), which reads on

a network controller. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Wachob '494 by a network controller sending different video programs targeted to the viewers as taught by Wachob '591 in order to provide a plurality of alternate commercial channels targeted to different demographically defined audiences (Wachob '591: col. 9, II. 8-10), thereby efficiently utilizing advertising budgets (Wachob '591: col. 1, I1.29-30).

Regarding claim 2, Wachob '494 teaches receiving from a respective subscriber input device (I/R remote control - 7) a channel selection for display on a respective television of each of the plurality of subscribers, wherein the channel selection chosen by each one of the plurality of subscribers is the same (col. 6, II. 9-23, col. 5-6, II. 56-6), and associating plural video programs with a plurality of channels (col. 5, I1.43-55), and sending at least one of the video programs to the television on a different (virtual/logical) channel without regard to the channel selection wherein the at least one of the video programs (commercials) is not the same at each respective television of the plurality of subscribers in that Wachob '494 teaches selecting the commercial (claimed at least one of the video programs) without regard to channel selection (col. 5-6, I1.56-6).

Wachob '494 teaches sending video programs associated with a different channel, but is silent on the sending a video program selected at a head end via a network controller. Wachob '591 teaches collecting viewing habits, such as channels/programs viewed, pay-per-view purchases (col. 8, II. 17-33) and sending the data to a headend (fig. 5, label. 50, col. 8, I1.46-67, col. 9, I1.4-10), which reads on a

network controller. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Wachob '494 by a network controller sending video programs targeted to the viewers as taught by Wachob '591 in order to provide a plurality of alternate commercial channels targeted to different demographically defined audiences (Wachob '591: col. 9, I1.8-10), thereby efficiently utilizing advertising budgets (Wachob '591: col. 1, II. 29-30).

Regarding claim 3, Wachob '494 teaches that the video program comprises advertisements that are demographically targeted to the plurality of subscribers based on a respective profile associated with each one of the plurality of subscriber (col. 5-6, II. 56-6).

Regarding claim 4, Wachob '494 teaches receiving at a respective set top terminal a television signal (see tuner/demodulator - fig. 2, label 62, col. 6, II. 7-9), wherein the demultiplexer and decompressor (fig. 2, label 66) extracts individual television programs from the signal (col. 5-6, II. 67-3, col. 6, II. 13-23). Wachob '494 teaches associating the programs with channels available for selection by the plurality of subscribers using a respective user input device (remote control - col. 6, II. 9-18), wherein the programs are displayed on a respective television associated with each one of the plurality of subscribers (col. 6, II. 18-23). Further, Wachob '494 teaches receiving respective user information associated with each one of the plurality of subscribers and storing the respective information in memory in a respective user profile (fig. 2, label 72, col. 5, II. 58-61), associating a commercial message (claimed advertisement) with the

respective user profile and associating the advertisement with a channel (col. 5-6, II. 67-6), and displaying on a respective television the program associated with the channel selected by the plurality of subscribers, and displaying on the respective television during a break in the selected program, the advertisement, wherein the advertisement is associated with a different logical channel than the selected program (col. 5-6, II. 58-23). Further, Wachob '494 teaches switching the commercial which reads on switching the respective television to the channel associated with the advertisement in that the receiver is switching logical channels with the demultiplexer (col. 5-6, II. 58-23), Wachob '494 teaches sending the advertisement to the respective television, wherein the advertisement is not the same for each of the plurality of subscribers (col. 6, I1. 18-23), and returning the respective television to the channel associated with the selected program after sending the advertisement (col. 2, II. 33-35).

Wachob '494 teaches sending advertisements, but is silent on the sending an advertisement selected at a head end via a network controller. Wachob '591 teaches collecting viewing habits; such as channels/programs viewed, pay-per-view purchases (col. 8, I1. 17-33) and sending the data to a headend and sending an advertisement selected at the headend via a network controller (fig. 5, label. 50, col. 8, I1.46-67, col. 9, I1.4-10), which reads on a network controller. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Wachob '494 by a network controller sending an advertisement targeted to the viewers as taught by Wachob '591 in order to provide a plurality of alternate commercial channels targeted to

different demographically defined audiences (Wachob '591: col. 9, II. 8-10), thereby efficiently utilizing advertising budgets (Wachob '591: col. 1, II.29-30).

Regarding claim 5, Wachob '494 teaches collecting demographic information such as sex and age group, but is silent on viewing habits of a respective user. In analogous art, Wachob '591 teaches collecting viewing habits, such as channels/programs viewed, pay-per-view purchases (col. 8, II. 17-33), which reads on collecting information about viewing habits of the respective user. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Wachob '494 by using viewing habits of a respective user as taught by Wachob '591 in order to more effectively target different demographically defined audiences.

Regarding claim 6, Wachob '494 teaches associating advertisements with the user profile, but is silent on using a network controller to target the advertisements to the subscriber based on the demographic information. Wachob '591 teaches collecting viewing habits, such as channels/programs viewed, pay-per-view purchases (col. 8, II. 17-33) and sending the data to a headend (col. 8, II. 46-67) thereby enabling the system to target different demographics (col. 9, II. 4-10). Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Wachob '494 by using a network controller to target the advertisements to the subscriber based on the demographic information as taught by Wachob '591 in order to more effectively target different demographically defined audiences.

Regarding claim 7, Wachob '494 teaches receiving the television signal comprising receiving a television signal sent to a plurality of subscribers having different user profiles (col. 5, II. 10-14, col. 5-6, II. 56-7) and the step of displaying the advertisement comprises displaying for each of the subscribers the advertisements associated with the subscriber's user profile (col. 5-6, II. 56-7), whereby different subscribers watching the same program on the same channel may view different advertisements based on their user profiles (col. 5-6, II. 56-7).

Regarding claim 8, Wachob '494 teaches a tuner for a means for receiving a television signal (see tuner/demodulator -fig. 2, label 62, col. 6, II. 7-9), a demultiplexer/decompressor as a means for extracting individual programs from the signal (fig. 2, label 66, col. 5-6, II. 67-3, col. 6, II. 13-23), an I/R receiver as a means for receiving program channel selections from a respective user input device of the subscribers (remote control- col. 6, II. 9-18), microcontroller along with the demultiplexer/decompressor as a means for sending a program associated with the selection to each respective television of the subscribers, the program being associated with a first logical channel (col. 5-6, II. 56-6), and a modulator as a means for sending to the television a commercial associated with a second logical channel, wherein the commercial is not the same on each respective television of the subscribers (col. 6, I1. 18-23).

Wachob '494 teaches sending video programs associated with a different channel, but is silent on the sending a video program selected at a head end via a network controller. Wachob '591 teaches collecting viewing habits, such as channels/programs viewed, pay-per-view purchases (col. 8, I1. 17-33) and sending the data to a headend (fig. 5, label. 50, col. 8, II. 46-67, col. 9, I1. 4-10), which reads on a network controller. Therefore, it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Wachob '494 by a network controller sending video programs targeted to the viewers as taught by Wachob '591 in order to provide a plurality of alternate commercial channels targeted to different demographically defined audiences (Wachob '591: col. 9, I1.8-10), thereby efficiently utilizing advertising budgets (Wachob '591: col. 1, I1.29-30).

Regarding claim 9, Wachob '494 teaches a demultiplexer/decompressor as a means for switching the respective television from the first channel to the second channel before the commercial is displayed on the television, and as a means for returning the respective television to the program after the commercial is displayed (col. 5-6, II. 56-23, col. 2, II. 33-35).

Regarding claim 10, Wachob '494 teaches switching channels without any direct input on which advertisement should be displayed (col. 5-6, II. 56-6); accordingly, Wachob '494 teaches switching and returning without indicating to one of the subscribers that the television has changed channels.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Hunter B. Lonsberry whose telephone number is 571-272-7298. The examiner can normally be reached on Monday-Friday during normal business hours.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Miller can be reached on 571-272-7353. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Hunter B. Lonsberry/
Hunter B. Lonsberry
Primary Examiner
Art Unit 2623

HBL